

Message Text

UNCLASSIFIED

PAGE 01 STATE 226141

13-12
ORIGIN EB-07

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EA-09

EUR-12 FRB-01 INR-07 IO-13 NEA-10 NSAE-00 USIA-15

OPIC-06 SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01

SIG-02 SS-15 NSC-05 PRS-01 XMB-04 STR-04 /128 R

DRAFTED BY EB/IFD/OIA:ECONSTABLE:ME

APPROVED BY EB/IFD/OIA:ECONSTABLE

----- 095655

R 132126Z SEP 76

FM SECSTATE WASHDC

TO ALL OECD CAPITALS

UNCLAS STATE 226141

E.O. 11652: N/A

TAGS: EINV, OECD

SUBJECT: LETTER AND PRESS RELEASE ON OECD DECLARATION

THE FOLLOWING IS THE TEXT OF STATE DEPARTMENT'S PRESS
RELEASE OF AUGUST 30 DESCRIBING LETTER TO CORPORATE
EXECUTIVES REGARDING OECD DECLARATION ON INTERNATIONAL
INVESTMENT AND MULTINATIONAL ENTERPRISES. TEXT OF LETTER
INCLUDED. BEGIN TEXT.

THE DEPARTMENT OF STATE IS RELEASING THE TEXT OF A LETTER
FROM SECRETARY OF STATE KISSINGER, SECRETARY OF THE
TREASURY SIMON AND SECRETARY OF COMMERCE RICHARDSON, WHICH
HAS BEEN SENT TO MORE THAN 800 CHIEF EXECUTIVES OF MAJOR
U.S. CORPORATIONS. THE LETTER INFORMS THE EXECUTIVES OF
UNITED STATES CONCURRENCE IN THE ORGANIZATION FOR ECONOMIC
COOPERATION AND DEVELOPMENT'S DECLARATION ON INTERNATIONAL
INVESTMENT AND MULTINATIONAL ENTERPRISES. SECRETARY
KISSINGER AND SECRETARY SIMON REPRESENTED THE UNITED STATES
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 226141

AT THE MEETING OF THE OECD COUNCIL OF MINISTERS, WHICH

ADOPTED THE DECLARATION IN PARIS ON JUNE 21, 1976.

2. THE DECLARATION CONSISTS OF FOUR PARTS: A DECISION ON NATIONAL TREATMENT, A DECISION ON INTERNATIONAL INVESTMENT

INCENTIVES AND DISINCENTIVES, A SET OF VOLUNTARY GUIDELINES FOR MULTINATIONAL ENTERPRISES, AND A DECISION ON FUTURE CONSULTATIONS AMONG MEMBER GOVERNMENTS ON MATTERS RELATED TO THE GUIDELINES.

3. THE LETTER DESCRIBES THE DECLARATION AS "A MAJOR STEP IN SUPPORT OF A FAVORABLE ENVIRONMENT FOR DIRECT INVESTMENT AMONG THE INDUSTRIAL COUNTRIES," AND COMMENDS THE VOLUNTARY GUIDELINES TO US ENTERPRISES AS FAIR AND BALANCED.

4. AS THE LETTER MENTIONS, THROUGHOUT THE NEGOTIATION OF THE DECLARATION, THE U.S. GOVERNMENT CONSULTED CLOSELY WITH PRIVATE SECTOR REPRESENTATIVES THROUGH VARIOUS CHANNELS, INCLUDING THE STATE DEPARTMENT ADVISORY COMMITTEE ON TRANSNATIONAL ENTERPRISES.

5. TEXT OF LETTER FOLLOWS.

6. ON JUNE 21, 1976, TWENTY-THREE GOVERNMENTS OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) JOINTLY ADOPTED A DECLARATION ON INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES, WHICH WE BELIEVE WILL CONTRIBUTE SIGNIFICANTLY TO AN OPEN AND STABLE ENVIRONMENT FOR INTERNATIONAL INVESTMENT. MAINTENANCE OF SUCH AN ENVIRONMENT OVER COMING YEARS DEPENDS ON STRENGTHENING MUTUAL EXPECTATIONS OF GOVERNMENTS AND ENTERPRISES REGARDING RESPONSIBLE POLICIES AND PRACTICES.

7. THIS BALANCE OF GOVERNMENTAL AND ENTERPRISE RESPONSIBILITIES IS THE CORE OF THE APPROACH TO INTERNATIONAL INVESTMENT WHICH IS REFLECTED IN THE OECD DECLARATION AND THE RELATED DECISIONS PROVIDING FOR CONTINUING CONSULTATION AND COOPERATION AMONG THE INDUSTRIAL COUNTRIES OF THE OECD ON THE BASIC PRINCIPLES OF THE DECLARATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 226141

8. THE MAIN ELEMENTS OF THE OECD INVESTMENT DECLARATION AND RELATED DECISIONS, WHICH ARE ENCLOSED, ARE THE FOLLOWING:

-- AFFIRMATION BY OECD GOVERNMENTS OF THEIR BASIC ORIENTATION TOWARD INTERNATIONAL INVESTMENT, STRESSING THAT SUCH INVESTMENT INCREASES GENERAL WELFARE AND SHOULD BE FACILITATED;

-- A RECOMMITMENT BY OECD GOVERNMENTS TO THEIR OBLIGATIONS
VIS-A-VIS MULTINATIONAL ENTERPRISES, INCLUDING UNDERTAKINGS
TO ACCORD THEM "NATIONAL" OR NON-DISCRIMINATORY TREATMENT
VIS-A-VIS DOMESTIC FIRMS, AND TO TREAT THEM IN ACCORDANCE
WITH INTERNATIONAL LAW AND AGREEMENTS AS WELL AS CONTRACTS

TO WHICH THEY HAVE SUBSCRIBED;

-- A RECOMMENDATION THAT ENTERPRISES OPERATING IN OECD
COUNTRIES VOLUNTARILY OBSERVE THOSE GUIDELINES OF GOOD
BUSINESS PRACTICE CONTAINED IN AN ANNEX TO THE DECLARATION;

-- A PLEDGE BY OECD GOVERNMENTS TO CLOSER CONSULTATION AND
COOPERATION ON INTERNATIONAL DIRECT INVESTMENT ISSUES,
INCLUDING PROBLEMS ARISING FROM OFFICIAL INCENTIVES AND
DISINCENTIVES FOR SUCH INVESTMENT.

8. IN OUR VIEW, THIS DECLARATION REPRESENTS A MAJOR STEP
IN SUPPORT OF A FAVORABLE ENVIRONMENT FOR DIRECT INVESTMENT
AMONG THE INDUSTRIAL COUNTRIES. THROUGHOUT THE NEGOTIA-
TION OF THIS DECLARATION, THE U.S. GOVERNMENT CONSULTED
CLOSELY WITH PRIVATE SECTOR REPRESENTATIVES BECAUSE THE
GUIDELINES FOR MULTINATIONAL ENTERPRISES ARE VOLUNTARY--AS
THE UNITED STATES HELD THEY SHOULD BE--AND IN ORDER TO
ASSURE THAT THE GUIDELINES AND THE ENTIRE DECLARATION
WOULD BE FAIR AND BALANCED. WE BELIEVE OUR OBJECTIVES HAVE
BEEN ACHIEVED. THE U.S., THEREFORE, JOINED THE OTHER
OECD GOVERNMENTS IN RECOMMENDING TO ENTERPRISES OPERATING
IN THE OECD COUNTRIES OBSERVANCE OF THE GUIDELINES, IN THE
CONTEXT OF THE GOVERNMENTAL ASSURANCES CONTAINED IN THE
DECLARATION. WE COMMEND THESE GUIDELINES TO ALL ENTER-
PRISES IN THE UNITED STATES. SINCERELY YOURS,
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 226141

HENRY A. KISSINGER SECRETARY OF STATE, WILLIAM E. SIMON
SEC;ETARY OF THE TREASURY, ELLIOT L. RICHARDSON SECRETARY
OF COMMERCE. END TEXT. ROBINSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS RELEASES, PUBLIC CORRESPONDENCE, FOREIGN INVESTMENTS, MULTINATIONAL CORPORATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE226141
Document Source: CORE
Document Unique ID: 00
Drafter: ECONSTABLE:ME
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760345-1223
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760965/aaaacdyq.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 19 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 FEB 2004 by MaustMC>; APPROVED <26 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LETTER AND PRESS RELEASE ON OECD DECLARATION THE FOLLOWING IS THE TEXT OF STATE DEPARTMENT'S PRESS RELEASE OF AUGUST 30 DESCRIBING LETTER TO CORPORAT
TAGS: EINV, PSDC, US, XX, OECD
To: OECD POSTS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006